

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 60532 / August 19, 2009

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3036 / August 19, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13586

In the Matter of

ENTRADE, INC.,

Respondent.

**ORDER INSTITUTING CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTION 21C OF THE SECURITIES
EXCHANGE ACT OF 1934, MAKING
FINDINGS, AND IMPOSING A CEASE-
AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Entrade, Inc. (“Entrade” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Entrade has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over it and the subject matter of these proceedings, which are admitted, Entrade consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.¹

¹ Concurrently with the entry of this Order, Entrade has consented to the entry of an order revoking the registration of its securities pursuant to Section 12(j) of the Securities Exchange Act of 1934. *In the Matter of Entrade, Inc.*, Securities Exchange Act Release No.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

FACTS

1. Entrade, Inc., a Pennsylvania corporation based in Chicago, Illinois, is a holding company whose principal asset is its wholly-owned subsidiary, Nationwide Auction Systems ("Nationwide"). Until late 2008, Nationwide provided public auction services for the disposal of surplus commercial property and operated a retail division selling used vehicles. The common stock of Entrade is registered under Section 12(g) of the Exchange Act. Until October 11, 2001, Entrade's common stock was listed and traded on the New York Stock Exchange. It is currently quoted on the "pink sheets" market under the symbol "ETAD."

2. On October 19, 1999, Entrade acquired Nationwide, which became Entrade's primary operating subsidiary. Owing to significant cash flow problems, Entrade was unable to service the liabilities stemming from this acquisition and the transaction was restructured several times. Entrade did not maintain adequate books and records of the liabilities arising from the various restructurings of the Nationwide acquisition. Entrade was also unable to pay its independent auditors regularly, and, on repeated occasions, the auditors suspended audit work for lengthy periods of time. Furthermore, Entrade lacked a system of internal accounting controls designed to provide reasonable assurances that its transactions were accurately and fairly recorded and executed. As a result of these failures, Entrade became seriously delinquent in its required periodic filings. Entrade did not file a Form 10-K after its 1999 Form 10-K (which it filed on March 30, 2000), and it did not file any Forms 10-Q since the third quarter of 2000.

3. In 2005, in an effort to address its reporting failures, Entrade hired new senior management for Nationwide and supplemented Nationwide's accounting staff. New management took steps to address Entrade's books and records problems and to implement new internal controls. These efforts resulted in the filing of a Form 10-K for the period ended December 31, 2006, which Entrade filed on June 28, 2008. The Form 10-K included audited balance sheets for 2005 and 2006 and audited statements of operations and cash flows for 2004, 2005, and 2006. However, after that filing, Entrade has failed to file the required Forms 10-K for 2007 and 2008. Further, Entrade has failed to file any of the required Forms 10-Q after the third quarter of 2000.

VIOLATIONS

4. As a result of the conduct described above, Entrade violated Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder, which require every issuer of a security registered pursuant to Section 12 of the Exchange Act to file with the Commission information, documents, and annual and quarterly reports as the Commission may require, and mandate that periodic reports contain such further material information as may be necessary to make the required statements not misleading.

5. As a result of the conduct described above, Entrade also violated Section 13(b)(2)(A) of the Exchange Act, which requires reporting companies to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflect their transactions and dispositions of their assets.

6. Finally, as a result of the conduct described above, Entrade violated Section 13(b)(2)(B) of the Exchange Act, which requires all reporting companies to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanction agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED that:

Pursuant to Section 21C of the Exchange Act, Respondent Entrade cease and desist from committing or causing any violations and any future violations of Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 promulgated thereunder.

By the Commission.

Elizabeth M. Murphy
Secretary